

City of Bloomington Bloomington Peak Oil Task Force

09 June 2008

Bloomington Transportation Corporation 130 West Grimes Lane Bloomington, Indiana 47403

Dear Bloomington Transit:

In interest of Bloomington Transit Corporation's update to its *Transit Development Program*, the following comment is submitted by the Bloomington Peak Oil Task Force. The Bloomington Peak Oil Task Force was recently created by the Bloomington Common Council and is charged with assessing our community's vulnerability to a liquids shortage and developing a prudent and actionable mitigation strategy.

It is widely acknowledged – even by the United States government -- that oil production will inevitably reach a maximum level and decline thereafter. This point of maximum extraction is commonly known as "peak oil." As the United States reached peak production over 35 years ago, we are now dependent on imports for over 60% of our oil. Among the forecasts for peak world production, most projections locate the world peak within the next 14 years. However recent evidence suggests that we are already at peak. The Bloomington Common Council has recognized the inevitability of peak oil not only by way of this Task Force, but also by way of <u>Resolution 06-07</u>: Recognizing the Peak of World Petroleum Production.

Given that approximately 95% of energy used for transportation is from oil, Bloomington Transit's vision for the next 5-10 years is key. With the price of oil recently reaching record highs and gasoline exceeding \$4/gallon, it appears that production has peaked and that we must prepare for a post-peak community. As oil becomes more and more costly, volatile and perhaps scarce, many more community members will rely on public transit, and the amount of money that Bloomington Transit spends on fuel could continue to escalate dramatically. We ask that Bloomington Transit include the reality of peak oil and its implications in its analysis and recommendations.

We look forward to collaborating with Bloomington Transit on its plan and encourage you to contact us.

Sincerely Yours,

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Dave Rollo

The Bloomington Peak Oil Task Force, Chair

Note: This letter was unanimously approved by the Bloomington Peak Oil Task Force.2

Although the timing of peak is unknown, there is evidence that we may be reaching a peak or plateau imminently. Conventional crude has not increased in production since 2005 and world total liquids production has been on a modulating plateau for the passed few years. Saudi and Russian production, that make up approximately one quarter of total world output, seemed to be constrained, either as a matter of policy or due to the geologic reality of regional depletion. Furthermore, major fields that make up a large fraction of world production are in decline, such as Cantarell in Mexico, Burgan in Kuwait and the North Sea.

Bloomington Peak Oil Task Force members include: Peter Bane, Gary Charbonneau, Christine Glaser, Stephanie Kimball, Dave Rollo, James Silberstein and Greg Travis.